



U.S. Department of Justice
United States Attorney
Western District of Washington

Please reply to:
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February 10, 2003

Re: United States v. KEVIN L. LAWRENCE, CR02-260P,
United States v. KEVIN McCARTHY, CR02-242P,
United States v. DONAVON C. CLAFLIN, CR02-255P,
United States v. CLIFFORD G. BAIRD, CR02-256P, &
United States v. JAMES N. WUENSCHKE, CR02-415P,
United States District Court, Western District of Washington.

Dear Sir or Madam:

This letter is to inform you that on July 31, 2002, a federal grand jury in Seattle, Washington returned a 64-count Indictment against Kevin L. Lawrence for securities fraud, wire fraud, mail fraud, money laundering, and conspiracy to commit these offenses. Four other defendants, Kevin McCarthy, Donavon C. Claflin, Clifford G. Baird, and James N. Wuensche, have entered guilty pleas as part of the government's investigation (see enclosed copies of press releases for more information).

You are being sent this notice because you have been identified as a possible victim in this case. You may already have been contacted by a federal agent or other law enforcement or government official regarding this matter. We apologize for the delay in sending you this information, and would like to take this opportunity to thank you for your assistance and cooperation during the investigation and prosecution of this case. Please note that your name may or may not be listed in the Indictment as a victim. It is not necessary for your name to be included in the Indictment in order for you to be identified as a victim in this case.

Due to the extremely large number of victims involved in this case, this will be the only mailing sent out by our office. To obtain updated information regarding the criminal cases above, you may access our website at www.usdoj.gov/usao/waw/ and follow the links for "victim-witness assistance" and "case updates." If you do not have access to the internet, you may also obtain information from our toll-free case update line at (888) 236-1915.

In addition to the criminal cases listed above, a civil case, *Securities and Exchange Commission (SEC) v. Health Maintenance Center, Inc., et al.*, C02-153P, regarding the same matter has also been filed in the Western District of Washington. On February 15, 2002, the United States District Court for the Western District of Washington appointed Michael A. Grassmuck as Receiver to take control of Health Maintenance Centers, Inc., Bainbridge Human Performance Center, PLLC, Znetix, Inc., Cascade Pointe of Arizona, LLC, and Cascade Pointe of Nevis, LLC, and their

subsidiaries and affiliates. You may obtain information regarding the Receiver's activities at www.Znetix.com, via e-mail at info@znetix.com, or via regular mail at P.O. Box 5248, Portland, Oregon, 97208-5248.

Defendant **Kevin L. Lawrence** was arraigned on August 1, 2002, and pleaded not guilty to the charges against him. Mr. Lawrence is presumed innocent of the charges against him until proven guilty. As a result, a jury trial has been scheduled to begin September 22, 2003, before the Honorable Marsha J. Pechman. Mr. Lawrence remains in custody pending trial. If you are needed as a witness, you will be notified by Assistant United States Attorneys Jeffrey B. Coopersmith or Ye-Ting Woo, who will be prosecuting this case on behalf of the United States. In addition, please be aware that as part of trial preparation, the U.S. Attorney's Office will be providing counsel for the defense with the names of all potential witnesses that may be called by the government. As a result, you may be contacted by the defendant's criminal defense attorney or investigators assisting the defense. There is nothing wrong with this, as they must provide services to their client. It is your choice as to whether or not you wish to speak with the defense or the government prior to trial. If you are unsure to whom you are speaking, ask that person to identify themselves, so that you understand why you have been contacted for an interview.

The sentencing hearings for defendants **Kevin McCarthy, Donavon C. Claflin, Clifford G. Baird and James N. Wuensche** are scheduled for November 14, 2003, beginning at 9:00 a.m., also before the Honorable Marsha J. Pechman, United States District Court, 1010 Fifth Avenue, Seattle, Washington. At the time of sentencing, the judge will weigh various elements of this offense, including the impact that this crime had on the victims. In order to help you put together a statement for the court, I am sending you a standard Victim Impact Statement Form. ***Submission of a Victim Impact Statement is entirely optional.*** If you do choose to submit one, please do not feel restricted by the questions or the format of this document. You are welcome to write a letter in your own words using the format with which you are most comfortable. The Victim Impact Statement simply provides basic guidelines to follow. I will forward your statement to the United States Probation Department. **Your statement will then be included in the pre-sentence investigation report which will be reviewed by the judge, defense counsel and the defendant, and the prosecution before the defendants are sentenced.**

You are not required to attend the sentencing hearings. However, if you would like to attend, please notify us at the numbers listed above as soon as possible. We will inform the attorneys prosecuting this case that you will be present in court. **We strongly recommend that you also call the day before the sentencing hearings to verify that the hearing date and time have not changed.** If you are unfamiliar with the location of the federal courthouse, please contact our office for directions. In the event that defendant Kevin L. Lawrence is convicted or pleads guilty, his sentencing hearing date will be included on the website and the toll-free case notification line.

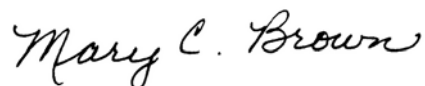
If a term of imprisonment is imposed on the defendants and you wish to be notified of the prison to which the defendants are sent, please contact the Victim-Witness Unit, so that we may enroll you in the Bureau of Prisons Notification Program. Your request for notification will be kept confidential.

If you have any questions, please do not hesitate to contact me at the numbers listed above. If you choose to submit a victim-impact statement, **please return the statement to me as soon as possible.** You may also fax a copy of the Victim Impact Statement to (206) 553-0990.

Thank you again for your patience and cooperation during the prosecution of this case.

Sincerely,

JOHN McKAY
United States Attorney

A handwritten signature in cursive script that reads "Mary C. Brown".

MARY C. BROWN
Victim-Witness Coordinator